

INCOME IN THE UNITED STATES

Highlights

- Median household income was \$44,389 in 2004, unchanged from 2003 in real terms (Figure 1 and Table 1). Median household income was also unchanged in real terms between 2002 and 2003. Compared with 1967, the first year for which household income statistics are available, real median household income was up 30 percent.
- Real median household income was unchanged between 2003 and 2004 for all race groups shown in Table 1 and for households with

Hispanic householders (who can be any race).^{4,5}

- The most commonly used measures of household income inequality, the Gini index and the share of aggregate income received by quintiles, remained unchanged

⁴ The householder is the person (or one of the people) in whose name the home is owned or rented and the person to whom the relationship of other household members is recorded. If the home is owned jointly by a married couple, either the husband or the wife may be listed as the householder. Since only one person in each household is designated as the householder, the number of householders is equal to the number of households. This report uses the characteristics of the householder to describe the household.

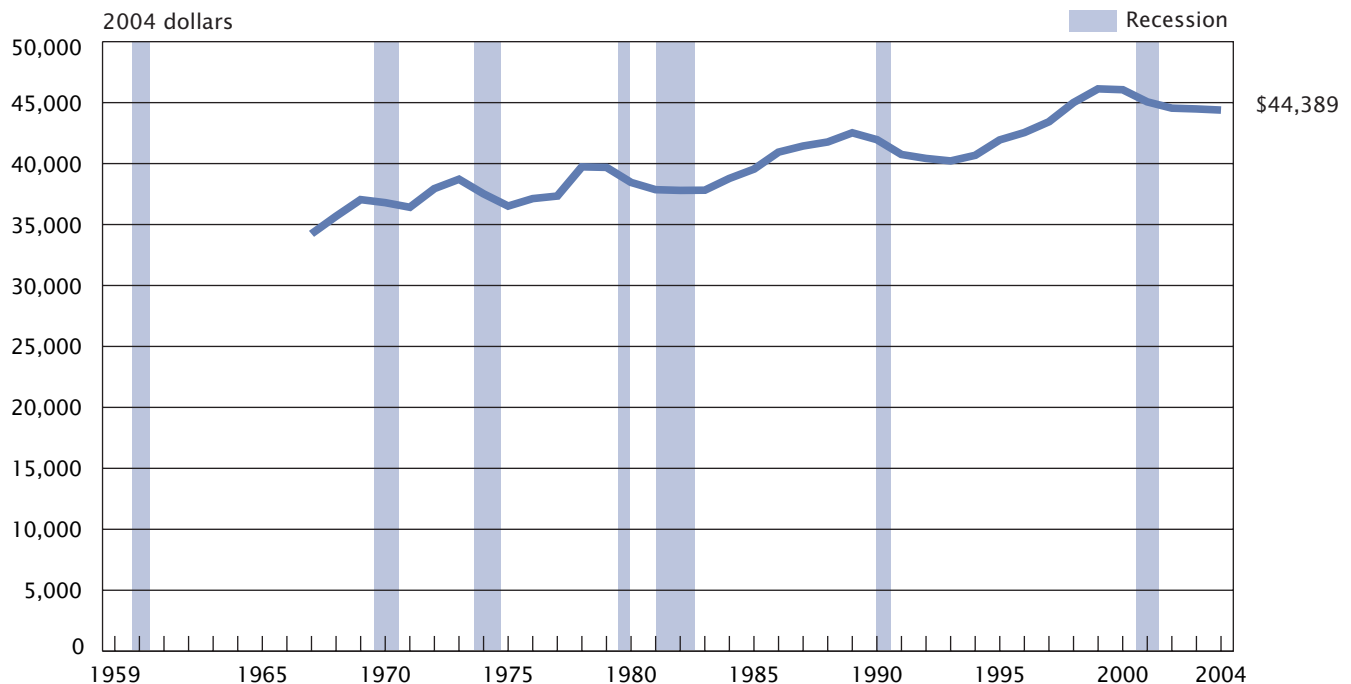
⁵ Data users should exercise caution when interpreting aggregate results for the Hispanic population or for race groups because these

populations consist of many distinct groups that differ in socioeconomic characteristics, culture, and recency of immigration. In addition, the CPS does not use separate population controls for weighting the Asian sample to national totals. Data were first collected for Hispanics in 1972 and for Asians and Pacific Islanders in 1987. For further information, see <www.bls.census.gov/cps/ads/adsmain.htm>.

⁶ See the article by Paul Allison, "Measures of Inequality," *American Sociological Review*, 43, December 1977, pp. 865–880, for an explanation of inequality measures.

- Earnings represent the largest component of income, but earnings trends and income trends are not perfectly correlated. While median household income in 2004 was not

Figure 1.
Real Median Household Income: 1967 to 2004



Note: The data points are placed at the midpoints of the respective years. Median household income data are not available before 1967.

Source: U.S. Census Bureau, Current Population Survey, 1968 to 2005 Annual Social and Economic Supplements.